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17 October 1945

MEMORANDUM for Mr. Forrestal

Subject: Use of President's Emergency or Contingent Funds for Proposed Intelligence Organization.

1. Emergency Fund for the President.

This fund was originally created under the Military Appropriation Act, 1941 (54 Stat. 377), and the Navy Department Appropriation Act, 1941 (54 Stat. 297), which together provided for appropriated funds of \$100 million and contract authorization of \$100 million. These funds were "to provide for emergencies affecting the national security and defense."

Subsequent appropriations for the same purposes were made from time to time, and the appropriation made under the First Supplemental National Defense Appropriation Act, 1943 (56 Stat. 704), as supplemented and amended, has been continued available from year to year until 30 June 1946. The last extension is contained in the Second Deficiency Appropriation Act, 1945 (Public Law 132, 79th Congress, 1st Session).

In view of the fact that the President's Emergency Fund is a wartime measure, and is limited to emergencies affecting the national security and defense, it appears quite unlikely that this Fund would be available for a continuing intelligence organization. On the other hand it has been used to finance a great variety of operations including the Office of Strategic Services and might be used temporarily to establish a new intelligence organization prior to obtaining a specific appropriation for such organization.

2. Fund for Contingent Expenses of the President.

In the 1945 Independent Offices Appropriation Act (58 Stat. 361), there is an appropriation of \$50,000 for contingent expenses of the White House, including stationery, telegrams, telephones, and "miscellaneous items to be expended in the discretion of the President". The 1946

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The Department of Defense Appropriation Act, (Public Law 49, 79th Congress, 1st Session), makes no mention of contingent expenses in connection with "The White House Office" appropriation of \$312,588. In any event, it is clear that this appropriation is entirely inadequate to provide for the proposed intelligence organization.

will be left in touch with  
Mr. Russell of the State Department  
and discuss with him the Joint  
staff and proposed for a  
central intelligence agency.

F. B. Lincoln, Jr.  
F. B. LINCOLN, Jr.

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